

Benefits Plans



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Benefits Program

Why you have this book

First Environments Early Learning Center provides a valuable benefits program for its employees. The quality of our children's program is a direct reflection of its staff. Over the years we have worked hard to provide a good benefits package for our employees. We have created this benefits booklet so you will have information about all of your benefits in one place.

In the case of a conflict between information provided in this booklet and an actual plan document, the plan document governs in all cases. Participation in any of the benefit plans or programs described in this book, and the information provided through this book do not constitute and should not be construed as creating a contract of employment between a participant and First Environments Early Learning Center.

First Environments currently intends to continue the plans described in this book, but reserves the right to terminate or amend them at any time, subject to applicable laws or collective bargaining agreements. No amendment or termination will affect payment of benefits received before the amendment or termination of the plan occurred.

Health Plans and Programs

Medical Plans

First Environments Early Learning Center medical plans are designed to help you pay for medically necessary care or treatment for yourself and your eligible dependents. You can obtain maximum benefits by meeting deductibles and certifications requirements, by using network hospitals and physicians and by following the cost containment features outlined in the plan.

- ◆ If you are a regular full-time employee working more than 30 hours per week, the company pays 100% of coverage— after you complete 30 days of service.
- ◆ If you want to cover your dependents the company will pay 50% of the employee child rate, which can be applied to the family rate after completion of 1 year of service upon open enrollment. Dependents can be added at full-cost to the employee after completion of 30 days of service.
- ◆ If you are a regular part-time employee working less than 30 hours per week, the company pays 50% of the cost of coverage— after you complete 30 days of service.
- ◆ A regular part-time employee can cover their dependents. The employee will be responsible for the cost of coverage.

For specific information, refer to the current summary plan description. Questions regarding claims may be referred to MAMSI Health Plans.

Dental Plans

The Dental Plan helps pay for preventive and diagnostic dental care (routine oral examinations, cleaning, X-ray, restorations, oral surgery and other dental procedures).

- ◆ If you are a regular full-time employee working 30 or more hours per week, the company pays the full cost of coverage— after you complete 30 days of service.
- ◆ If you want to cover your dependent the company will cover 50% of employee/child rate, which can be applied to the family rate after successful completion of 1 year of service upon open enrollment.
- ◆ If you are a regular part-time employee working less than 30 hours per week, the company pays 50% of the cost coverage —after you complete 30 days of service.
- ◆ If you want to cover your dependents the employee will be responsible for the full cost of coverage.

For specific information refer to the current summary plan description. Questions regarding claims may be referred to Companion Health Plans.

Health Insurance Reimbursement

First Environments Early Learning Center has an insurance reimbursement for full time employees who have health insurance other than at First Environments Early Learning Center. The money can go toward AFLAC premium payment, redirected to a Retirement Account, or the amount added to your paycheck.

Note: This amount is subject to normal income tax.

The employee must show the director their insurance card and this insurance must be maintained at all times.

Other Insurance

Cobra

The Consolidated Omnibus Budget Reconciliation Act (COBRA) was enacted in 1986. Cobra requires that most employers sponsoring group health plans offer employees and their dependents the opportunity for a temporary extension of health coverage at 102 percent of group rates in certain instances where coverage otherwise would end or change. For more information, refer to the summary plan descriptions of the Medical and Dental plans.

Workers' Compensation

If you are injured on the job, you may qualify for disability benefits under the state workers' compensation law. Any injury or accident while on duty must be reported within 24 hours to the center director. Forms must be completed within this same time frame. This is the responsibility of the employee.

Life Insurance

Each Employee has \$25,000 of life insurance provided by First Environments Early Learning Center.

Voluntary Benefit Plans

First Environments Early Learning Center provides a wide variety of voluntary plans available to the employees provided through AFLAC. These plans are offered through payroll deduction and are portable for the employee to keep at the same rates and benefits should employment end. The AFLAC plans pay directly to you and pay regardless of what your health insurance pays. The plans available are Short Term Disability, Cancer, 24 hour Accident Protection, Intensive Care, Voluntary Indemnity, Critical Illness and additional Life Insurance. All employees are eligible to enroll at January open enrollments.

Short Term Disability Plan

The Short Term Disability Plan provides income for you if you are temporarily absent from work because of an illness or injury. There are many options to choose from to fit your particular financial needs. This plan will help replace your income should you be out of work in a disability through an accident or sickness.

Cancer

The Cancer Plan provides additional money if you are diagnosed with cancer. It carries a lump sum benefit plus additional money for hospital confinement, radiation and chemotherapy and more to help out you and your family. This plan has a wellness visit of \$75 per year.

24 Hour Accident Plan

The 24 hour Accident Plan covers for emergency treatment, specific –sum injury, hospital confinement, lodging, ambulance, accidental death and much more. You can make this coverage available for you and your family. The plan also carries a wellness benefit.

Intensive Care

The Intensive Care Plan has a daily ICU confinement benefit plus daily sub-acute confinement benefits. It carries a human organ transplant benefit as well as an ambulance service benefit.

Hospital Indemnity

The Hospital Indemnity Plan pays you if you are confined to a hospital. It covers for surgeries, short stay, rehabilitation and ambulance. It gives a specific sum if you were to have a heart attack, stroke, coma or paralysis. It has an annual wellness benefit.

Critical Illness

This plan pays a first occurrence benefit as well as hospital confinement and continuing care benefits for heart attack & coronary artery bypass surgery, stroke, end-stage renal failure, major human organ transplant, major third degree burns, coma and paralysis.

Life Insurance

Provides up to \$100,000 of additional life insurance in either term or whole life or a combination. This plan has riders for spouse and children as well as an optional accidental death benefit rider.

Additional voluntary benefits may be available to you . For more information please consult your AFLAC representative.

Section 125 Options

First Environments Early Learning Center has set up a Section 125 Plan. This plan helps employees, who have deductions taken out of their check to pay health premiums with pre-tax dollars. By paying with pretax dollars the employee will save money.

Unreimbursed Medical

How much may you contribute?

You may contribute up to \$3,000 per year to the unreimbursed Medical Account in any one year. Remember, if you contribute more in the calendar year than you claim for reimbursement, any leftover amount in your account must be forfeited.

Eligible Expenses

In general, the Unreimbursed Medical account reimburses any out-of-pocket health care expenses that are not reimbursed by the Medical or Dental coverage's, or other health care coverage you have, for you or any eligible dependents who are considered your dependents for federal income tax purposes.

Note: You may not request reimbursement for the expenses of a same-sex domestic partner unless the partner qualifies as your dependent under Section 152 of the Internal Revenue Code and you have submitted an affidavit.

Examples of eligible expenses are:

1. Deductibles for Medical and/or Dental coverage.
2. Coinsurance amount not covered by the coverage.
3. Co payments you pay if you participate in the MAMSI health plan.
4. Expenses in excess of the reasonable and customary (R&C) charges.
5. Expenses in excess of coverage maximums.
6. Costs of car controls for the handicapped.
7. Fees for Christian Science practitioners.
8. Cost of prescription contact lenses and eyeglasses.
9. Cost of guide dog purchase for the blind and deaf.
10. Cost if hypnosis for treatment of illness.
11. Payments to a special school for a child with a severe learning disability caused by a mental or physical impairment.

Note: Remember, if you receive reimbursement for an expense from this account, you cannot claim the expense as a medical deduction on your income tax.

Section 125 Options

Continued from page 7

Ineligible Expenses

The following are examples of expenses that don't qualify for reimbursement from your account:

1. Premium payments for group health coverage, including COBRA payments.
2. Medical or dental expenses that have been reimbursed or are eligible for reimbursement by any other policy or plan (including Medicare or any other federal or state plan).
3. Cosmetic surgery (unless needed to correct an injury, disfiguring disease, or congenital abnormality).
4. Other cosmetic procedures, such as bleaching of teeth.
5. Fee for health club programs, including spas, health clubs, and gyms.
6. Fees for weight-loss programs (unless prescribed by your doctor as treatment for a specific illness or disease and not to improve your general health).
7. The cost of household help even if recommended by your doctor because you are physically unable to do housework.
8. Charges for drug, vitamins, and cosmetics that are available without prescription .
9. Expenses incurred before the date coverage under account begins or after the date your coverage ends.
10. Expenses incurred for dependents during any period that you cannot claim them as dependents on your income tax return.
11. A divorced spouse's medical bills.
12. Charges for illegal surgical procedures and drugs.
13. Charges for breast pumps, unless considered medically necessary.

Reimbursement Account

Dependent Day Care Reimbursement Account

How much may you contribute?

You may contribute up to \$5,000 per year to the Dependent Day Care Reimbursement Account. If you are married and your spouse also participates in a dependent daycare reimbursement account, you may only contribute up to \$5,000 combined to both accounts.

If you are married and you and your spouse file separate tax returns, you may each contribute up to \$2,500.

Your annual contribution to your account cannot be more than your earned income or that of your spouse; whichever is less. If your spouse is a student or disabled, the maximum amount that you can contribute to the Dependent Day Care Reimbursement Account is as follows:

1. \$2,400 per year if you have one eligible dependent.
2. \$4,800 per year if you have two or more eligible dependents.

Remember, if you contribute more in the calendar year than you claim for reimbursement, any remaining amount in your account must be forfeited.

In general, you may use the Dependent Day Care Reimbursement Account to pay for child and dependent day care expenses that would qualify for the child and dependent care tax credit on your federal income tax return.

More specifically, your expenses must be either for:

- ◆ The care of a dependent under the age of 13 who lives in your home and whom you claim as a dependent on your federal income tax return.
- ◆ The care of a spouse or other dependent who is mentally or physically disabled and incapable of self-care. This dependent must spend at least 8 hours a day in your home and qualify as your spouse or dependent for federal income tax purposes.

Eligible expenses for tax free reimbursement

- ◆ **Fees paid to licensed day care centers that comply with state and local laws and regulations (registration fees are not included).**
- ◆ **Wages to housekeepers in your home whose duties include dependent care.**
- ◆ **Fees for licensed disabled dependent care center that comply with state and local laws and regulations, not including registration fees.**
- ◆ **Federal taxes that you pay in wages to dependent care providers.**
- ◆ **Wages paid to baby-sitters or companions inside or outside your home for care while you are at work, provided that the income is reported to the IRS.**

Reimbursement Account

Ineligible Expenses for reimbursement

- ◆ **Nursing home care for dependents who do not reside in your home for at least 8 hours a day.**
- ◆ **Dependent care given by your spouse or care that your spouse could provide if his or her work hours were different from yours.**
- ◆ **Payments to your child under age 19 at the end of the taxable year.**
- ◆ **Payments to an individual who can be claimed as a dependent on your or your spouses tax return.**
- ◆ **Services paid for by another organization or provided without cost.**
- ◆ **Transportation to and from day care location**
- ◆ **Agency or finder's fee for placement of an au pair or nanny or referral to day care.**

Retirement Plans (403b)

First Environments Early Center encourages its employees to participate in the retirement savings plan. The company has a retirement savings plan through Edward Jones. An employee can immediately contribute a percentage of their salary to the 403b at the start of employment. The center has the option of making a discretionary contribution on behalf of the eligible participants.

Time Away from Work

Time Away From Work

Vacation

First Environments Early Learning Center employees accrue vacation based on time of service as follows:

Years	Full time	Part time
0-3	5 hours	2.5 hours
4-6	6 hours	3 hours
6+	7 hours	3.5 hours

Full-time Employees 30 + Hours

Part-time Employees 20 -29 Hours

Perineum Under 20 Hours

Holidays

First Environments Early Learning Center observes the six major holidays, which are New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas. All other Federal Holidays are also observed by First Environments Early Learning Center.

All employees who are regularly scheduled to work on the day of the week the holiday falls on will be paid for that day.

Bereavement Policy

First Environments will grant time off for making funeral arrangements, attendance at the wake and for funeral attendance of an immediate family member. Immediate family members are identified as your spouse, parents, children, brother, sister, parents of the spouse, grandparents, grandchildren, grandparents of the spouse and grandchildren of the spouse (stepsister, stepbrother, half sister, half brother, stepmother, stepfather, stepchildren and foster children are also considered as immediate family. The time off will depend on the location of the deceased. The employee will have three days if the immediate family member resided in North Carolina. The employee will have five days if the deceased resided outside of North Carolina.

Jury or Witness Duty

You will be paid for any time spent on jury or witness duty as long as you notify the director in advance that you will be called.

Community Service

First Environments will allow you paid leave up to 16 hours of time that you have volunteered to an eligible charitable or cultural organization.

Approval must be granted by the Director.

Time Away from Work

Appointments

An employee working less than 6n hours is expected to take the hours not worked as leave, I.e. doctors appointments after 3 p.m. or before 10 a.m.

Leaves of Absence

Leaves of absence are granted for good cause and for a reasonable length of time, provided First Environments Early Learning Center requirements permit and there is nothing in your record, such as poor attendance, to prevent re-employment.

Employees do not accrue leave time during a leave of absence.

Anticipated Disability Leave

The period of Anticipated Disability Leave will count as family and medical leave you may be entitled to under the 1993 Family and Medical Leave Act or state law.

Reasons for Leave

The Anticipated Disability Leave provides employees time away from work, without pay, for up to six months prior to a disability for which a prospective medical treatment has been scheduled, such as in the case of elective surgery or pregnancy.

Eligibility

All regular and temporary employees, regardless of seniority, are eligible for an Anticipated Disability Leave upon furnishing satisfactory medical certification of a disability that is expected to exceed seven calendar days and is expected to occur within the next six months.

Period of Leave

This leave of absence may be granted for a period for up to six months. The beginning date of the leave should be mutually agreeable to you and your doctor and must have the concurrence of First Environments Early Learning Center. The first day of the leave should be the day following the last day worked or paid as a holiday or vacation.

Vacation

If you have not completed vacation for the current year, the following options apply:

- ◆ Take unused vacation prior to the effective date of the leave.

Time Away from Work

- ◆ Receive pay in lieu of remaining vacation at the time the leave begins.
- ◆ Reschedule unused vacation upon return to work from the Anticipated Disability Leave, provided the originally scheduled vacation fell within the leave and the return to work is within the calendar year in which such vacation was originally scheduled.
- ◆ Take the vacation as originally scheduled upon return to work from the leave.

Employment While On Leave

Employees may not work elsewhere during the leave.

Benefits During the Leave

If you are eligible, the following benefits will be provided while you are on the medical leave pursuant to the same conditions and to the same extent as a comparable employee active on the payroll.

Company-paid benefits while on leave

The following benefits will be paid by First Environments Early Learning Center:

1. Medical plan (for three months)
2. Dental plan (for three months)
3. Group Life Insurance (for three months)

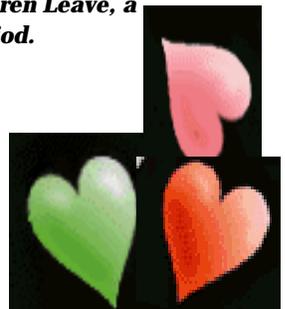
Note: You are responsible for your share of the cost, if any, for your coverage during the entire period of the leave.

Employee-paid Benefits while on leave

Coverage for the following employee-paid benefits may be continued provided you remit premium payments to the designated record keeper or company in a timely manner:

1. Medical Plan
2. Dental Plan
3. AFLAC

Note: If you are eligible for and enrolled in the medical and dental coverage, the company will continue coverage for up to three months. The period of company-paid medical and dental coverage during an Anticipated Disability leave shall not exceed three months in any 12-month period. Also, the period of company-paid medical and dental coverage during any combination of an Anticipated Disability Leave, a Care of Newborn Children Leave, a Dependent Care Leave, and a Medical Leave shall not exceed six months in any 12-month period.



Notes



 **AFLAC**[®]

